

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1740 – HB 1886

February 26, 2018

SUMMARY OF ORIGINAL BILL: Declares as insufficient evidence, rather than sufficient evidence, a United State postal service notation that a properly addressed registered or certified letter containing a service of warrant, writ or other papers is unclaimed for establishing that a defendant of an action in general sessions court refused to accept the delivery.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013750): Deletes all language after the enacting clause. Requires that if a corporation that is a defendant in general sessions court refuses to accept delivery of a warrant, writ, or other papers, such refusal be the basis for a default judgment only where the request for default is accompanied by evidence from the Secretary of State showing that the correct entity name and address was used for the registered agent authorized by law to receive service of process. Requires a return receipt showing such refusal.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Any impact on the court system resulting from additional default judgements is estimated to be not significant.
- Tenn. Code Ann. § 16-15-903(10) prohibits service by mail being the basis for default judgment, unless the record contains a return receipt showing personal acceptance by the defendant.
- Any additional impact will be borne by private corporations that choose to refuse such delivery.
- The Secretary of State will be able to provide the necessary information regarding business names and addresses within the normal course of business. Any increase in state expenditures is estimated to be not significant.

SB 1740 – HB 1886

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jaw